

1•2022



Points.

THE MAGAZINE OF THE LEIBNIZ INSTITUTE FOR FINANCIAL RESEARCH SAFE



**„The Carrot
and the Stick“:**

Bank bail-outs in times of crisis

Page 4

Meet SAFE researchers Sabine
Bernard and Kaspar Zimmermann

Page 6

Germany's pensions
system under scrutiny

Page 8

Ignazio Angeloni discusses
the role of central banks

Page 10

CONTENT

- 4 Focus: Bank bail-outs in the global financial crisis – government appointments to boards ensure greater repayment discipline
- 6 Research profile: Sabine Bernard – Connecting to people’s lives
- 7 Research profile: Kaspar Zimmermann – Digging in archives
- 8 Policy: How to improve Germany’s pensions system
- 9 Policy: Banking supervision after Brexit
- 10 Interview: SAFE Senior Fellow Ignazio Angeloni on the role of central banks
- 12 Inside SAFE
- 13 #SAFEtheDate / Events: Review and preview
- 14 Selected publications 2021

IMPRESSUM

PUBLISHER

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First edition
Printed in Germany

PHOTO CREDITS

iStock.com/Jelena83
iStock.com/kontrast-fotodesign
iStock.com/Mlenny
iStock.com/Orbon Alija
shutterstock.com/Sergey Nivens
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Dear Readers,

In our second year as part of the Leibniz Association, we at SAFE have – like many others inside and outside the academic community – been working hard to create the best possible environment for our researchers in an ongoing global pandemic. SAFE is a young organization and has welcomed many new colleagues over the course of 2021; we have also been busy setting up, testing, and in some cases modifying infrastructure and processes. In view of the Covid situation, the direct contact with each other so important in this phase has had, for the most part, to take place digitally. Despite successful virtual formats, we have missed in-person seminars, workshops, and conferences – and, not least, the unplanned informal exchanges which only occur when people come together.

Nevertheless, SAFE is growing – and we are growing with it. What you are now holding in your hands is a document of our work, a way to make this development visible and capture memorable moments. Yes, it's the first issue of Points, the new Leibniz Institute SAFE magazine. Why did we decide to call it "Points"? Because, for both pillars of SAFE's work – conducting research in finance and providing policy advice – it is essential to point out the problems and phenomena we deal with and, moreover, to have a point and state it clearly.

For our first issue, we looked into how government bail-outs can affect the performance of lenders in times of crisis: read the result in our cover story on a recent award-winning SAFE Working Paper. Meanwhile, our portrait format featuring post-doctoral colleagues will introduce you to some of the people behind research at our institute. And as policy advice rests on expertise, do read our issue-focused articles on how the German pensions system can be improved, what Brexit means for banking regulation, and how the role of central banks – and their understanding of their own purpose – are changing.

With this in mind, let's get to the point!



FOCUS ON



RESEARCH



INTERVIEW



POLICY



INSIDE SAFE



#SAFETHEDATE /
EVENTS



SELECTED
PUBLICATIONS



i The SAFE Working Paper “The Carrot and the Stick: Bank Bailouts and the Disciplining Role of Board Appointments” by Christian Mücke, Lorian Pelizzon, Vincenzo Pezone and Anjan Thakor won the Best Young Researcher Award at the International Risk Management Conference (IRMC) 2021 in Cagliari, Italy. The award is given for the best paper presenting a relevant empirical study related to conference topics to researchers under 35 who submitted and presented at IRMC 2021.

Bank bail-outs in the global financial crisis – government appointments to boards ensure greater repayment discipline

Using U.S. banks as an example, a SAFE Working Paper shows that government bail-out programs can boost the performance of lenders following rescue

The SAFE Working Paper No. 316 is available here:

<https://ssrn.com/abstract=3881871>



During the financial crisis of 2007 to 2009, the U.S. government bailed out numerous banks using the capital purchase program (CPP). The CPP gave the U.S. Treasury the ability to appoint independent directors to the boards of bailed-out banks – something which the lending institutions affected often sought to avoid. However, a SAFE Working Paper shows that the threat of director appointments by the U.S. Treasury led to increased repayment discipline by banks following government financial assistance. In addition, director appointments at banks were accompanied by lower remuneration for CEOs and higher stock market valuations.

Deployed in October 2008, the CPP was by far the most extensive capital acquisition program in the U.S.; its aim was to assist banks in recapitalizing during the financial and economic crisis raging at the time. In total,

707 banks received capital injections through the CPP amounting to around 205 billion dollars overall. In the process, the U.S. Treasury acquired either cumulative stock, non-cumulative preferred stock, or subordinated debt on which the banks paid quarterly interest to the government.

DELINQUENT BANKS LESS PROFITABLE

A characteristic of the CPP was that the U.S. Treasury could appoint up to two independent directors for banks which missed at least six of these quarterly payments. Of the banks that received funding through the CPP, 162 banks missed at least six interest payments and were subject to this rule. The Treasury subsequently exercised the option at 16 banks, appointing a total of 24 independent directors.

When compared to those which paid on time, banks which missed one or more interest payments were less profitable. For example, return on equity and return on assets averaged minus 0.83 and minus 16.11 percent respectively for banks which missed payments while averaging minus 0.24 and minus 5.06 percent respectively across all banks studied.

For the SAFE Working Paper, authors Christian Mücke, Lorian Pelizzon, Vincenzo Pezone, and Anjan Thakor examined banks' acceptance of the CPP and how the program performed in practice. The empirical analysis is based on an unbalanced panel dataset containing financial data for the years 2007 to 2019, as well as information on CPP dividend payments, directors, and their remuneration. The researchers used data from the Interest and Dividend Report published monthly by the U.S. Treasury Department; they also used data from SNL Financials, a financial services company, and BoardEx, a data company which provides profiles of public, private, and non-profit organizations and corporate boards.

BANKS SKEPTICAL OF NEWLY APPOINTED DIRECTORS

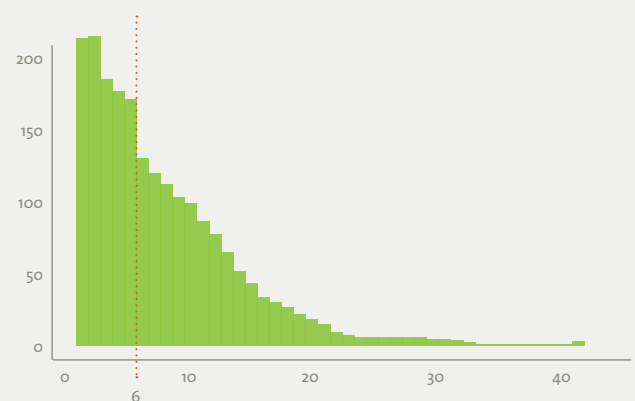
In a first step, the researchers evaluated whether the delinquent banks wanted to avoid the appointment of directors by the U.S. Treasury. In the statistical distribution of missed dividend and interest payments, there is a clear break between the missed fifth and sixth payments (see figure). This is a clear indication that banks tried to avoid the appointment of a director by the U.S. Treasury. Empirical analysis confirms this hypothesis.

In a second step, the authors provide evidence that the work of directors appointed by the U.S. Treasury

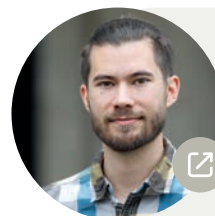
exerted a positive influence on lenders' performance. For example, the return on equity of the respective banks increased by 14 percentage points. The analysis assigned the delinquent banks with newly-appointed directors to banks in a control group, each of which also received funding from the CPP and matched the delinquent banks in key characteristics – except for the appointment of an independent supervisory board member.

The results show that for the banks with new supervisory board members, both returns on equity and return on assets increased, and that the ratio of bad loans to total loans also improved. In addition, these banks were less prone to exploit their accounting leeway to affect profits. Furthermore, the board members' salaries were significantly lower compared to remuneration prior to appointment. That the new board members provided sound management can also be inferred from the fact that 16 of them went on to remain on the board after the bank had ended its participation in the CPP.

DISTRIBUTION OF MISSED DIVIDEND PAYMENTS



The figure shows the distribution of missed dividend payments for 2,082 bank-quarter observations with 193 banks that missed at least one dividend payment out of the 569 banks in the sample. The time coverage goes from May 2009 to October 2019.



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Connecting to people's lives

In her research, Sabine Bernard combines empirical questions about household finance with explanatory approaches from behavioral economics to provide answers as close to real life as possible



Getting to the bottom of things is the core business of academic research, and Sabine Bernard's approach is no exception. "I can't sink completely into theory, though," cautions the economist: "I need tangible examples." Statements like "the space is continuous" are not exactly catchy terms for private investors. "In many respects, finance offers areas of application for what we know from theoretical models in economics," says Bernard. So it's only consistent that Bernard followed her bachelor's degree in economics in 2013 by a master's in finance in 2016 and, finally, a Ph.D. in finance at the Graduate School of Economic and Social Sciences (GESS) at the University of Mannheim, which she completed in 2021.

"Originally, I studied economics with a view to becoming a business journalist: after all, you can only ask the right questions if you have a grasp of the subject matter at hand," Bernard explains. That's why she combined her academic degree at the University of Mannheim with an accompanying five-year journalism fellowship at the German Konrad Adenauer Foundation. After a few stints in the newsrooms of Germany's leading business newspapers, however, she was rather disillusioned: "At some point, I was bothered by the fact that, even in specialized journalism, you still have to remain relatively imprecise in order to catch the largest possible audience." Combined with the skills she had acquired in asking the right questions, it was the urge to understand interrelationships in business in more depth which led her to switch lanes and go into research.

"The connection to the reality of people's lives is important to me"

"I work in the field of household finance and draw on explanatory approaches from behavioral economics," says Bernard when asked to explain her area of research. "I expressly do not posit a rational investor or household which only responds to monetary incentives. Psycho-

logical pitfalls and emotions play an important role in decision-making processes." She appreciates SAFE as an environment where she can work on providing tangible examples of this. The institute's connections both to politics and the private sector enable her to collect her own data in a targeted manner and to conduct surveys and experiments. During her Ph.D., Bernard focused strongly on the trading behavior of private investors in the capital market: What drives them to sell? How do financial market cycles affect their actions? What are the differences in trading behavior between asset classes?

"In my research, it has always been important to me for there to be a connection to the reality of people's lives," explains Bernard. That is what motivates her to pass on her knowledge of finance to a broad audience and private investors through lectures and presentations. In doing so, she benefits from a core element of her training as a journalist: breaking down complex issues in a way that is generally understandable – i.e. on topics such as sustainable investing or the psychology of investing. "Research is important, but we also need to pass on our findings to all the private investors out there."

Sabine Bernard rarely sets her research aside entirely – except for once or twice a year, when she can be found sailing at sea. Her sailing license was something she picked up during her doctoral studies. And out on the water, too, it's the practical aspect of things that she finds most interesting: "It starts as soon as you get on the boat: no endless discussions, just taking action as and when required. That's what's great about it."

Sabine Bernard

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Digging in archives

With a sharp eye for historical data and long-term developments, Kaspar Zimmermann researches into the interaction of macroeconomics and financial markets



For Kaspar Zimmermann, working with data is all about long timeframes – such as in his publication “The Big Bang: Stock Market Capitalization in the Long Run” in the forthcoming issue of the *Journal of Financial Economics*, one of the world’s most cited academic journals.

Working with his co-author Dmitry Kuvshinov, Zimmermann has collected data series on the stock market capitalization, share issues and prices, dividends, and discount rates of listed companies in 17 highly-developed economies over the past 150 years. His paper documents a structural break in the development of stock markets: from the nineteenth century through until the 1980s, stock markets grew in lockstep with the real economy as market growth was driven primarily by equity issues; since the 1980s, however, due to rising stock prices and corporate profits, stock markets have grown much faster than the real economy.

“It’s exciting to dig up a new source in an archive and find variations in data that you can use,” Zimmermann says. But use for what? “By collecting data on a larger scale and combining it with a longer-term perspective, we can sometimes learn more about which explanations come into question for certain phenomena. This, in turn, allows us to formulate general statements on this new basis,” explains the 31-year-old.

UNDERSTANDING FINANCIAL CRISES IN A HISTORICAL CONTEXT

Zimmermann read for his undergraduate and post-graduate degrees at the University of Bonn between 2010 and 2020, with stops along the way taking him to the Paris School of Economics and Yale University. At Yale, Zimmermann taught, among others, for William Nordhaus, who later won the Nobel Prize in Economics.

For his Ph.D., Zimmermann studied sovereign bankruptcies, interest rate developments, credit cycles related to bank profitability, and, of course, stock market capitalization. Now, he is working on a new idea: “So far, we have aggregate sectoral data for 17 highly-developed economies. But if we want to go on to understand where financial crises come from, individual bank data can help us do that.” A new paper on this is currently, in collaboration with colleagues from the University of Bonn and Cornell University in the United States, in progress.

At SAFE, Kaspar Zimmermann researches into economic historical trends in the field of Macro Finance. As in most academic disciplines, exchange with other experts is essential to him: “Our research thrives on interaction. It is very helpful to have such a good network of researchers at SAFE.” That was a good reason for him to come to Frankfurt in January 2021.

In terms of his pastimes, Zimmermann is a keen cyclist and is looking to take a few longer bike trips in the new year – preferably, like his research, extending over longer timeframes (albeit measured in weeks rather than centuries). “We’ve cycled through France and Spain a few times and been to Scandinavia,” he says, and is now casting an eye towards routes along the Croatian coast and through Italy: “Both countries have lots of cities worth seeing and you can easily line them up as part of a cycling holiday.” Perhaps he will plan in a couple of stops at bank archives along the way ...

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Demographic developments and low interest rates are not without consequences for pension provision in Germany. In order to secure standards of living in old age, financially viable and feasible measures are required.

How to improve Germany's pensions system

Download SAFE Policy Letter No. 90 (in German):



<https://safe-frankfurt.de/policy-letter-90>



Download SAFE White Paper 75 (in German):



<https://safe-frankfurt.de/white-paper-75>



Due to two overarching developments, many citizens in Germany are now facing potentially inadequate pension provision. On the one hand, the increasingly unbalanced ratio of pension contributors to pensioners is increasing the strain on the pay-as-you-go statutory pensions system. On the other hand, persistently low interest rates have made funded occupational and private pension schemes with guaranteed contributions increasingly unattractive.

In view of economic, political, and social resistance to such moves, the three dials on the statutory pension dashboard in Germany – contribution rate, retirement age, and financing from the state budget – cannot be turned up any further. Meanwhile, in its current form, the supplementary “Riester” pension scheme no longer offers any scope as an attractive and sustainable pension model. However, there are measures which can be implemented quickly and effectively in the following areas: the existing statutory pension insurance, a new equity pension from birth, the Riester pension scheme, and active support for pension planning.

LUMP-SUM PAYMENTS FOR DELAYING RETIREMENTS

First, one possibility is to improve incentives for voluntarily delaying retirement and, with it, entry into

the state pension system. Research shows that older individuals would be much more willing to retire at a later date in exchange for an actuarially fair lump-sum payment instead of the increase in monthly pension income currently offered. This measure would be technically simple yet highly effective – and would neither cut benefits nor create additional costs for the state pension system. At the same time, it would provide a demonstrable benefit in that more people would work for longer.

EQUITY PENSION FROM BIRTH

In a new equity pension from birth, a state-financed single premium is paid into an individual retirement account for all newborns. The funds from this custody account are invested in a fiduciary capacity in globally diversified equity-portfolio and funds and are not paid out until retirement. Thanks to the enormous long-term earnings of internationally productive capital, even with very small investment amounts, substantial assets can be built up for later life – wholly irrespective of the individual's employment biography. The very long-term investment horizon allows short-term fluctuations in returns to be balanced out over time, leading to a substantial additional pension for each and every individual in society which represents an insurance against old-age poverty for future generations.

IMPROVING RIESTER PENSIONS

To ensure that current cohorts also participate in productive capital for old-age provision, the mandatory money-back guarantee for the Riester pension should be adjusted. If the minimum pay-out at the end of the accumulation phase for personal contributions remains guaranteed, but not the government subsidies, significantly higher equity exposures and returns can be achieved – even within a persistent low interest rate environment.

In combination with standardized risk-based investment strategies, a reformed contribution guarantee could make the Riester pension more attractive not only at the national but also at the European level if, as in the case

of the Pan-European Personal Pension Product (PEPP), risk-equivalent investment strategies such as a life-cycle fund are permitted as an alternative to the contribution guarantee.

IMPROVING RIESTER PENSIONS

Finally, citizens need more transparency and support in their pension planning. The Central Office for Digital Pension Overviews (Zentrale Stelle für die Digitale Rentenübersicht, ZfDR), planned under the umbrella of Germany's pensions authority (Deutsche Rentenversicherung) as an application for transmitting digital pension information is a promising, first step in this regard. However, limiting the pension puzzle to a tabular representation of insurance-type benefits leaves gaps. Alternatively, there could be a focus on promoting data

trustees who offer citizens a meaningful overall view of their individual pension provision and encourage them to take concrete decisions at an early stage.



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Banking supervision after Brexit remains on a level playing field

An in-depth analysis of bank regulation practices conducted at SAFE shows that competition between the UK and the eurozone will intensify without disadvantages for either party in terms of crisis management

The SAFE White Paper No. 86 is available here:



<https://safe-frankfurt.de/white-paper-86>



After Brexit, the United Kingdom's Prudential Regulation Authority (PRA) has more flexibility regarding the supervision of large banks; this new regulatory freedom fosters a leaner supervisory structure which, in turn, facilitates faster decision making in times of crisis compared to the eurozone's Single Supervisory Mechanism (SSM) led by the European Central Bank. The SSM, however, as an integral part of the European banking union, provides a credible safety net for banks when it comes to the management of future crises. Thus, despite significant differences, locational competition and a level playing field between British and European bank regulation practices can be expected.

On request from the European Parliament's Committee on Economic and Monetary Affairs (ECON), researchers Tobias Tröger and Rainer Haselmann examined and compared banking supervision practices in the UK and the eurozone. Their in-depth analysis at SAFE was based

on existing empirical evidence in the field of banking regulation as well as stress test scenarios of the European Banking Authority (EBA) and the Bank of England (BoE). The EBA's stress test sample used for the study included the 50 largest European banks, 38 of which fall directly under the eurozone's banking supervision. The BoE sample covered the largest lenders in the UK.

The results show that the British PRA applies a lower risk weighting to the credit exposures of the banks monitored. On average, declining risk weights for large British banks and unchanged risk weights for large German and French banks after the introduction of the SSM are observable. However, joint supervision and resolution, including backstops, in the European banking union provide strong public safeguards for financial institutions in the member states. Eurozone banks should thus be able to count on more favorable refinancing conditions and lower costs of capital which can offset the disadvantages of the complicated supervisory architecture in Europe as compared to the UK.



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IGNAZIO ANGELONI:

“Central banks have been crisis managers for most of their history”

Ever since the Great Recession in 2008, central banks of Western industrialized countries have pursued a low-interest-rate policy. With the Corona crisis, an interest rate turnaround seems to be on the horizon. What are the reasons for this? How are central banks in Europe and the U.S. dealing with the crisis and how is this shaping their role? SAFE Senior Fellow Ignazio Angeloni addresses these questions in an interview.

After a long period of extremely lax monetary policy, the U.S. Federal Reserve has been preparing financial markets for tighter monetary policy. It therefore seems likely that we will witness a reduction in bond purchases and a gradual increase in the key interest rate level. What is driving this reversal?

IGNAZIO ANGELONI: The members of the Federal Open Market Committee have upped their forecasts for growth and inflation between mid-year and September. More recently, inflation in the U.S. has risen sharply and there are clear risks that it may become entrenched. Accordingly, policy-makers are tightening monetary policy – much as one should expect. It is also worth noting that the academic debate in the U.S. has shifted in recent months, with more emphasis put on the risks of inflation. In addition to its own analyses, the Fed may be taking that into account as well.

The European Central Bank says it should not be tempted to tighten monetary policy hastily. The Fed is preparing to make a move: what are we waiting for?

IGNAZIO ANGELONI: The ECB insists that different areas of the world are at different stages of the recovery cycle and therefore require different monetary policy stances. This is true up to a point: many studies have shown that there is a global component of inflation, common to all areas. Given the many uncertainties still present, it is also clear that the ECB is concerned about the risk of a premature tightening; the memory of past instances, in which untimely rate hikes have indeed occurred, may still be present. Communication from the ECB argues that the current inflation outburst is temporary. There are reasons for this: unlike in the Great Inflation of the 1970s and 1980s, for instance, organised labor in today’s eurozone is weak and wage indexation mechanisms are virtually absent.

The “inflation engine” therefore lacks a critical booster to propagate and prolong a price-wage spiral. Still, the medium term ECB inflation forecasts are now not far off 2%. Therefore, a rebalancing of monetary conditions is in order. The yield curve discounts a tightening of monetary policy next year; market expectations are not inconsistent or unreasonable.

Runaway government debt is a massive problem in both Europe and the United States. How can this be reconciled with the ongoing low interest rate policy?

IGNAZIO ANGELONI: Lower interest rates in recent years have made public debts more sustainable. The risk is that, after those high debts have been incurred, interest rates may rise again abruptly, putting debt sustainability at risk in certain countries. This would renew the strains within the eurozone that we saw during the sovereign debt crisis of 2010-2012. In principle, the Next Generation EU program launched by the European Union contains safeguards against these risks: the program allows for higher debts, but foresees that much of it should finance public investments and be accompanied by growth-enhancing reforms. This will help sustainability. The crucial condition, of course, is that the implementation of the plan respects these conditions. It is essential that the Commission monitors the execution of the national programs throughout the period (i.e., until 2026), to ensure a high quality of public investments and successful execution of the reforms.

Over the years, a north-south cleavage has emerged in the European Union. Can the low interest rates be interpreted as a kind of protection mechanism for the highly indebted countries in the south of Europe?

IGNAZIO ANGELONI: At present, inflation in core European countries (notably, Germany) is higher than inflation in the so-called “periphery”. This helps the cohesion of the eurozone by making traditionally weaker countries more competitive within the area. The negative side is that the inflation performance remains uneven, with some countries like Germany suffering from real-term negative interest rates which do not reflect national economic conditions. Temporary imbalances of this sort are natural in a monetary area – they are present in the United States as well – but other policies, including national and Union budgets, structural reforms, etc. should ensure that they do not become persistent and entrenched. The Next Generation EU program and the other initiatives undertaken by the EU during the pandemic will be of help in this respect.

Do central banks need to move away from the policy of zero interest rates as a result of changes in inflation?

IGNAZIO ANGELONI: They all will, as inflation increases and hopefully stabilizes around desirable target levels. All central banks are bound to a price stability goal, to be maintained in the medium term, with only minor differences in the wording of their mandates. In virtually all countries, the target for inflation is at or close to 2 percent. This should ensure broad consistency of central bank actions over time.

Following the outbreak of the Coronavirus pandemic in March 2020, U.S. treasuries and government bond markets suffered heavily at first, only to recover very quickly. Are central banks assuming a new role in times of crises switching from lenders of last resort to market makers of last resort?

IGNAZIO ANGELONI: Central banks have been crisis managers of last resort for most of their history. The interpretation of their role which prevailed for some years before the Great Financial Crisis (GFC) – i.e. as pure inflation targeters – was the fruit of the particular conditions of that period, referred to as the “Great Moderation”. That period did not last, nor did the limited interpretation of central banking associated with it. During the GFC, and again in the pandemic, central banks have returned to their classic role as crisis managers – a role which does not exclude, indeed expressly includes ensuring price stability in the medium term. The instrument central banks have to manage crises is last-resort lending – the unique ability to create and distribute final means of payments. Yet in today’s financial markets, which have grown enormously in size and scope, providing liquidity of last resort inevitably encompasses preserving market liquidity in a crisis. In sum: the underlying logic of the central banking role as crisis managers has not changed, but the way in which it is performed has evolved in line with the structure of global financial markets.

“Lower interest rates in recent years have made public debts more sustainable”



Ignazio Angeloni

is a Senior Fellow at the Leibniz Institute for Financial Research SAFE and the Harvard Kennedy School. From 2014 to 2019, he was a member of the supervisory board of the European Central Bank. In 2012 and 2013, as the ECB’s Head of Financial Stability, he coordinated the preparations for establishing the Single Supervisory Mechanism. In his earlier career, he held positions at the Bank of Italy and Italy’s Ministry of Finance.



ALEXANDER HILLERT JOINS SAFE AS PROFESSOR FOR FINANCE AND DATA SCIENCE

Financial economist Alexander Hillert has taken up a professorship in Finance and Data Science at SAFE on 1 December 2021. In this position, he took over the coordination of SAFE's Research Data Center from SAFE board member Uwe Walz. "One of my central goals is to provide comprehensive training for our young researchers in terms of analytical methods and to support them in research projects by providing them with new, especially European, data sets. The methodological and data expertise of our early career researchers is an important building block for SAFE's future publication success," Hillert says about his goals as coordinator of the SAFE Research Data Center.

In his research, he focuses on asset pricing, corporate finance, and behavioral finance. A central question of his research is how capital market participants process and interpret information. He uses analytical methods from computational linguistics to systematically investigate the influence of text-based information on capital markets. His work has appeared in internationally renowned academic journals such as the Journal of Financial Economics and the Review of Financial Studies.

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Profile at SAFE:



KATJA LANGENBUCHER HEADS NEW SAFE LAW LAB ON FINTECH AND AI

Katja Langenbucher, Professor of Civil Law, Commercial Law, and Banking Law at the House of Finance of Goethe University Frankfurt, coordinates the newly founded "LawLab – Fintech & AI" at SAFE since 1 November 2021. The lab is primarily dedicated to legal questions on the regulation of technological changes in financial services due to digital transformation (fintech) as well as on the regulation of artificial intelligence (AI). An interdisciplinary approach is a characteristic feature of the LawLab – Fintech & AI where Katja Langenbucher will work closely with the SAFE Policy Center as SAFE Research Professor.

According to plan, regular scientific workshops in exchange with other international universities are to be held during the project period until the end of October 2024, thus covering not only the German market for fintech and AI. In addition, a lecture series is planned which will incorporate experiences from politics and regulatory practice.

<https://safe-frankfurt.de/lawlab-fintech-ai>

LawLab – Fintech & AI at SAFE :



SAFE ONCE AGAIN CERTIFIED FOR EQUAL OPPORTUNITY

SAFE has received the TOTAL E-QUALITY award for the second time in 2021. Thus, the Leibniz Institute has once again been recognized as a workplace that implements the compatibility of career, family, and equal professional opportunity in an exemplary manner. In 2018, SAFE was honored for the first time with the TOTAL E-QUALITY award by the association of the same name.

The jury's justification states that equal opportunity, diversity, and work-life balance are "an integral part of the extensive reorganization process" that has characterized SAFE since it became a member of the Leibniz Association. "This becomes evident in the excellent institutionalization of equal opportunity and in other fields of action, which also involve many measures, such as compatibility of family and career, staffing, and personnel development," the jury added. The jury's statement accentuates the first-year stipends for systematic personnel development of SAFE's young female researchers and the efforts to increase the visibility of women in financial research.

<https://safe-frankfurt.de/about-safe/equal-opportunities>

Equal opportunities at SAFE:



In 2021, SAFE held a total of 34 events, including 16 policy events with nearly 500 speakers and presenters. Due to the ongoing Corona pandemic, almost all events were held virtually as web-based seminars, workshops, lectures, panel discussions, and conferences.

SAFE's event year 2021 at a glance

In terms of response, among the most successful policy events in 2021 was the SAFE Policy Web Panel titled "Shouldn't We All Have a Central Bank Account?" with financial economist Markus Brunnermeier of Princeton University and Benoît Cœuré of the Bank for International Settlements (BIS), organized and moderated by SAFE Senior Fellow Hans-Helmut Kotz in June. Similarly, the Policy Webinar "How to tackle a wave of non-performing loans (NPLs) in the aftermath of COVID-19?" with Lorian Pelizzon, Director of SAFE's Research Department Financial Markets, Andrea Enria of the European Central Bank, and Thorsten Beck of the Florence Business School of Banking and Finance, jointly organized by SAFE and the Centre for Economic and Policy Research (CEPR), attracted many participants from the academic community as well as from politics and business.

In the series of academic events at SAFE in 2021, several researchers from internationally renowned institutions presented their papers or appeared as discussants of presented research work. Among others, Agostino Capponi from Columbia University and Christine Parlour from University of California, Berkeley, shared insights on decentralized exchanges as part of blockchain technologies during the 5th SAFE Market Microstructure Conference in August. At the 8th SAFE Asset Pricing Workshop in September, which was organized in cooperation with Deutsche Bundesbank, Michael Halling from the University of Luxembourg talked about primary corporate bond markets and social responsibility. At the same event, Valeri Sokolovski from HEC Montréal presented research results on hedge funds and financial intermediaries.

Moreover, the SAFE Workshop "EMU at a Crossroads? Economic Governance Reforms in the European Union" in July as well as the Financial History Research Web Seminar on "How Well Do States' Banks Do?" with Aldo Musacchio from Brandeis University and Daniel Díaz from the Universidad de Cantabria met with a positive response.

SAFE'S UPCOMING ACADEMIC EVENTS 2022

MARCH

International Conference on Sovereign Bond Markets

JUNE

AI and Finance, Behavioral Measurement Conference, Labex ReFi – NYU – SAFE/LawFin Law & Banking/Finance conference

AUGUST

6th SAFE market microstructure conference

SEPTEMBER

9th SAFE Asset Pricing Workshop

SEPTEMBER/OCTOBER

6th SAFE Household Finance Workshop



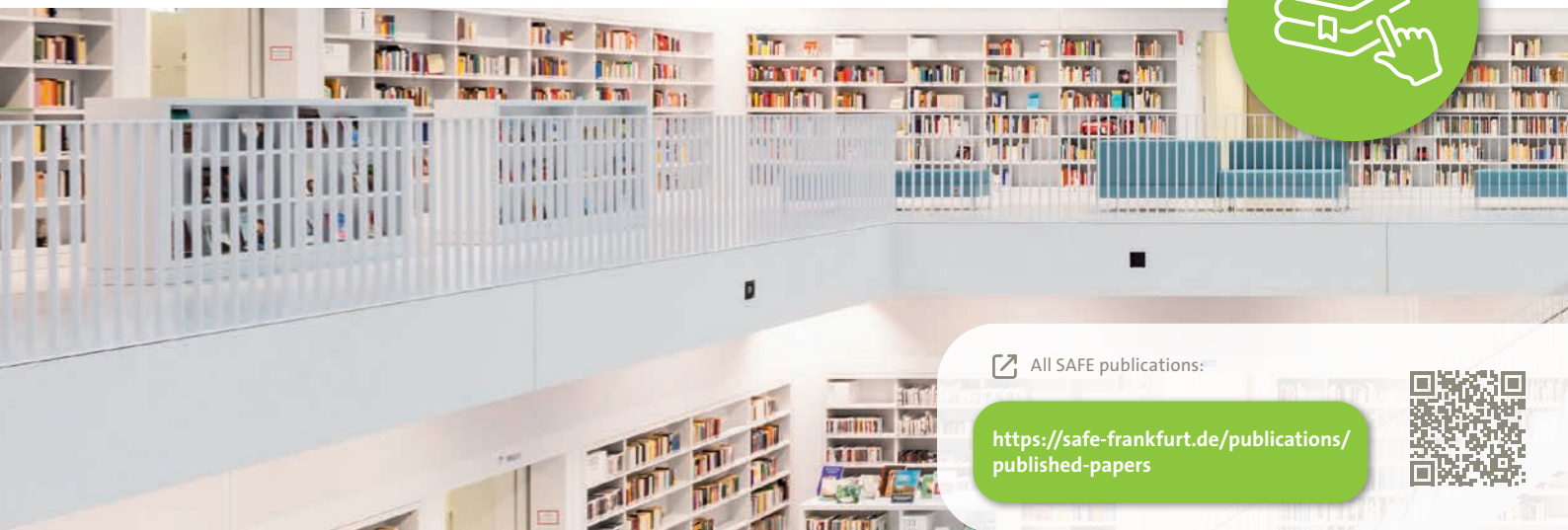
 All upcoming events:

<https://safe-frankfurt.de/news-latest/events>



Dr. Daniela Dimitrova

Head of Event Management & Coordinator Visitors Program



 All SAFE publications:

<https://safe-frankfurt.de/publications/published-papers>



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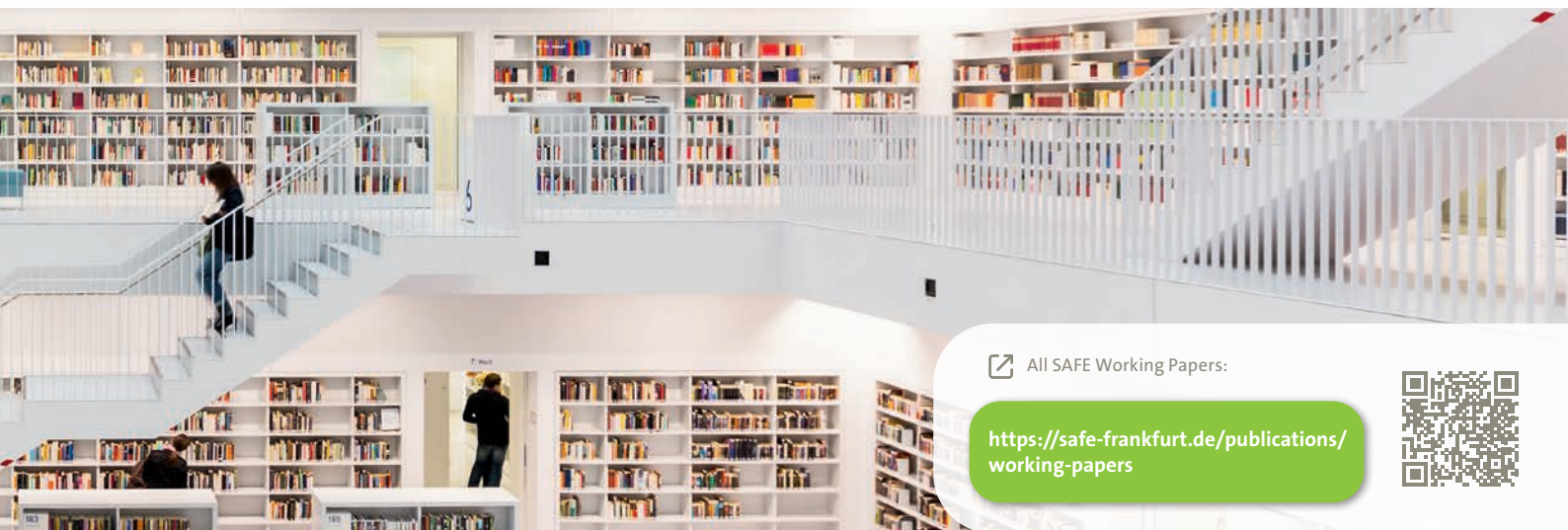
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<https://safe-frankfurt.de/publications/working-papers>



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The Leibniz Institute for Financial Research SAFE (“Sustainable Architecture for Finance in Europe”) is dedicated to interdisciplinary research on the financial markets and their participants in Europe; it also provides independent, research-based policy advice. The Institute focuses on the cooperation of researchers from the fields of finance, economics, law, and political science.

Professional policy advice focused on Berlin, Brussels, and Wiesbaden is the Center’s second pillar. Based on independent academic research, the SAFE Policy Center maintains a permanent dialogue with members of governments and parliaments about topical questions on financial markets. Its aim is to develop answers to questions on how to move towards a better regulatory framework.

SAFE was founded in 2013 as a cooperation between Goethe University Frankfurt and the Center for Financial Studies (CFS). Since January 2020, SAFE has been working as an independent institute and is a member of the Leibniz Association. The organization contributes to the strengthening of a sustainable and crisis-proof financial system which promotes innovation and serves the individual needs of business and citizens.

SAFE is closely networked with other research facilities and institutions internationally. The institute’s research focuses on six thematic areas: Financial Intermediation, Law & Finance, Financial Markets, Money & Finance, Household Finance, and Macro Finance. SAFE strives for research excellence and combines this with the goal of transferring academic results into politics, administration, and society, both at national and European levels. In addition, SAFE works on the development and provision of infrastructure in the field of European economic and financial data with a view to enabling better empirical analyses.



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